

Calendar No. 543

104TH CONGRESS }
2d Session

SENATE

{ REPORT
104-337

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1997

R E P O R T

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 1718

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 1997 FOR INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES OF THE UNITED STATES GOVERNMENT, THE COMMUNITY MANAGEMENT ACCOUNT, AND FOR THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM, AND FOR OTHER REASONS



JULY 29, 1996.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

29-010

WASHINGTON : 1996

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TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 1997 FOR INTELLIGENCE AND INTELLIGENCE-RELATED AC- TIVITIES OF THE UNITED STATES GOVERNMENT

JULY 29, 1996.—Ordered to be printed

Mr. STEVENS, from the Committee on Governmental Affairs,
submitted the following

REPORT

[To accompany S. 1718]

The Senate Committee on Governmental Affairs, to which was referred the bill (S. 1718) having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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I. PURPOSE AND SUMMARY

S. 1718, as reported from the Governmental Affairs Committee, would authorize appropriations for fiscal year 1997 for intelligence and intelligence-related activities of the United States Government, including certain activities within the jurisdiction of the Governmental Affairs Committee.

The Senate Select Committee on Intelligence reported the bill on April 30, 1996. It was referred to the Senate Committee on Armed Services on May 2, 1996, in accordance with section 3(b) of Senate Resolution 400, 94th Congress. At the request of the Senate Com-

mittee on Governmental Affairs, S. 1718 was, on June 6, 1996, referred to this committee for a thirty-session day period.

II. SCOPE OF COMMITTEE REVIEW

The committee requested an opportunity to review those provisions of S. 1718 which addressed Federal government organization. In broad terms this included provisions to create a commission to assess government structure and efficiency relating to non-proliferation and a new senior executive service for the intelligence community. The committee also noted language in the report accompanying S. 1718 which suggested a lack of effective coordination on joint matters by the various inspectors general (IGs) in those agencies comprising the intelligence community. After careful review of S. 1718, including extensive discussions with the staffs of both the Armed Services and Intelligence Committees, the Governmental Affairs Committee voted to report the bill favorably, with amendments, on July 25. This is prior to the expiration of the 30 days of session allotted in Senate Resolution 400 for consideration upon referral.

On June 6, 1996, the Senate Armed Services Committee published its report (104-277) on S. 1718 and suggested several amendments, one of which strike the concept of a new senior executive service personnel program for the intelligence community. As noted in the Armed Services Committee report a number of provisions in S. 1718 would shift authority over DOD intelligence assets from the Secretary of Defense (SecDef) to the Director of Central Intelligence (DCI). Most of these provisions were amended by the Armed Services Committee and eventual compromises negotiated between them and the Intelligence Committee.

On June 11, the Intelligence Committee published its report (104-278) on S. 1745, the Department of Defense Authorization bill, agreeing to the Armed Services Committee recommendation to strike the new senior executive service personnel program language.

The Governmental Affairs Committee only addressed issues within our jurisdiction; however, we fully concur in all the changes recommended by the Armed Services Committee including its recommendation to strike all language establishing a new senior executive service personnel program for the intelligence community.

III. GLENN AMENDMENT

Senator Glenn's amendment to S. 1718 (1) provides more specificity as to the qualifications of commission members; (2) enumerates how the commission will assess the effectiveness of the U.S. cooperation with other countries with respect to nonproliferation activities; and (3) calls on the commission to address export controls, funding, information flow, and the organization of counterproliferation activities of the U.S., among other issues. The committee voted to report the bill with this amendment.

IV. INSPECTORS GENERAL

An earlier draft version of the Intelligence Authorization Bill contained language which would have broadened the role of the CIA's Inspector General to act, in effect, as an inspector general for

the entire intelligence community. That version of the bill would have included in the duties of the CIA IG the duty *inter alia* to “(a) identify to the Director programs and operations conducted by elements of the intelligence community as appropriate subjects for inspections, investigations and audits”; and (b) upon the request of the Director, or his designee, arrange for and coordinate the conduct of” these reviews, as well as “(c) establish standards for the staffs and products of the inspectors general of the elements of the intelligence community.” The Intelligence Committee felt there was a need to establish a central point of coordination or accountability for intelligence community IG issues. Better arrangements exist for coordinating interagency IG activities than empowering one of the concerned IGs to act as the central point of contact for intelligence matters. The Intelligence Committee, following a discussion with the staff of the Governmental Affairs Committee, subsequently agreed to drop this provision from their bill; however, their committee report still expresses concerns over the IGs’ ability to conduct or coordinate activities involving intelligence matters.

As the committee charged with the oversight of the statutory inspectors general, we have found no evidence indicating Congress should take the extraordinary step of creating a “community” inspector general. This would be analogous to empowering the Justice Department IG to act as coordinator and central point of contact on all IG matters involving the law enforcement “community” which, like the intelligence community, consists of various organizations spread across more than one department.

This committee has heard from a number of the inspectors general in departments and agencies comprising the intelligence community expressing concern over several issues raised in the Intelligence Committee report. These are: the suggestion by the Intelligence Committee of a lack of effective coordination between intelligence community IGs, lack of consistent IG coverage of high risk or high dollar intelligence programs, lack of effective management support and attention to the IGs and their products and recommendations, and inconsistent training and professional standards for IG employees. In addition, the Intelligence Committee noted that concerns have been expressed by intelligence officials outside the IG community regarding the professionalism, experience, and training of the IG staffs. The IGs expressed their view that these concerns were for the most part unfounded.

In our view adequate mechanisms for coordinating interagency IG activities already exist. We reference the August 1994 establishment of the DOD/CIA Intelligence Inspector General Forum (the Forum) created to ensure adequate coverage of topics and issues involving interagency functions and programs. In addition, the President’s Council on Integrity and Efficiency (PCIE), comprised of representatives from the Statutory IGs, has the responsibility for coordinating interagency IG activities throughout the Federal Government. The Government Affairs Committee has been in dialogue with the Office of Management and Budget with a view toward formalizing a PCIE mechanism made up of statutory IG representatives from all those agencies and departments comprising the intelligence community. We believe this would be the proper venue for

coordinating joint IG activities involving those intelligence community agencies outside DOD and CIA.

The Intelligence Committee report calls for the thirteen intelligence community IGs (Department of Defense, Central Intelligence Agency, Department of Justice, Defense Intelligence Agency, Central Imagery Office, Department of Energy, Department of State, Department of the Treasury, the Military Services, National Reconnaissance Office, and National Security Agency) to provide by January 15, 1997, a report to the committees describing the reviews involving joint intelligence issues in which they have participated since January 1, 1994. Copies of those reports should also be provided to the Governmental Affairs Committee as the oversight committee for the statutory inspectors general.

V. COMMITTEE ACTION

On July 25, 1996, the Senate Governmental Affairs Committee held a markup on S. 1718. Senator Glenn's amendment was approved by roll call vote of seven to six. The following Senators were recorded as voting aye: Cohen (by proxy), Glenn, Levin, Pryor (by proxy), Lieberman (by proxy), Akaka (by proxy), and Dorgan. The following Senators were recorded as voting no: Stevens, Roth (by proxy), Thompson, Cochran, McCain, and Smith. A voice vote then occurred on the motion to report S. 1718, as amended by the Glenn Amendment, from the Governmental Affairs Committee.

VI. ESTIMATES OF COSTS

The committee finds no changes in the estimate of costs as a result of these amendments.

VII. CHANGES IN EXISTING LAW

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

VIII. REGULATORY IMPACT OF LEGISLATION

Paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate "the regulatory impact which would be incurred in carrying out the bill." The enactment of this legislation would not have a significant regulatory impact.